

**MAYOR'S ADVISORY GROUP
DECEMBER 20, 2005**

MINUTES

Members Present

Judy Boyer
Dana Russell
Stephanie McKinney
Mitch Strohman
Joanne Keene
David Camacho
H.E. "Gene" Westerhaus
Tara Green

Members Absent

Joseph Donaldson, Mayor
Grover Decker
Ryan Rodriguez
Coral Evans - excused
Julie Pastrick
Stephanie Ludwig
Karl Baumgartner
Renee Fausett - excused
Robert Magnuson
Nat White
Lee Treece

Staff Present

Dave Wilcox, City Manager
Kara Kelty, City Councilmember
Laura Parker

Stephanie McKinney called the meeting to order at 7:00 a.m.

Approval of Minutes. A motion was made by David Camacho to approve the minutes from the November 15, 2005 meeting. Motion seconded by Judy Boyer. Correction noted by David Camacho – Mr. Camacho was present at the last meeting, but was marked absent. Motion carried unanimously.

Stephanie welcomed group and turned the time over to Kara Kelty, City Councilmember and advocate for affordable housing in Flagstaff. Kara stated that affordable housing is a huge issue in Flagstaff. She stated that due to the need for housing, she and Councilmember Art Babbott decided to look into housing issues, their consensus being that the housing problem was at its worst. Implemented a task force to discuss issues, Community Housing Policy Task Force was authorized by Resolution 2004-97, and adopted by the City Council on December 21, 2004. Task force consists of 19 members comprised of individuals involved with housing, major employers, at large community members and four Community Development staff members. The purpose of the group is to review all relevant City policies, standards and regulations related to land use, development standards and processes and recommended changes to the Council that result in increasing the supply of affordable housing for all segments of the community. Committee is to provide recommendation to the Planning and Zoning Commission to seek their review and comment prior to presentation to the City Council. Held six meetings in April & May, became organized and adopted a mission statement: *"To make progressive and practical recommendations to the City Council to improve, streamline and facilitate the development of policies, procedures and regulation in order to maximize the ability for the working population to live in Flagstaff."*

In addition, the Task Force received brief overviews of the Land Development Code, the Regional Plan, and the Community Land Trust Program. Members analyzed the components of the cost of housing, heard report on the current market, projected developments and available land, and did a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of housing in Flagstaff. The SWOT analysis was used to identify four smaller working groups: Land Supply, Engineering Standards, Zoning, and Finance/Bonding.

Each of the four subcommittees met separately during this timeframe to identify strategies that would achieve the Mission Statement.

1. Area Median Income – Area Median Income is a number set by the United States Department of Housing and Urban Development based on a variety of factors and representing wages and earnings in the community. Area Median Income is relative to family size and community dynamics.
2. Workforce Housing – Workforce housing, as targeted by the policy recommendations being advocated by the Community Housing Policy Task Force, is housing that is affordable to residents, or potential residents, who earn up to 150% of the Area Median Income for their family size, when they are spending no more than 35% of their gross income on housing.

To identify specific initiatives for increasing the supply of workforce housing, members of the Task Force divided themselves into four subcommittees. The subcommittees met over several months, during which they brainstormed recommendations particular to their topic, assessed their potential implications, viability and appropriateness, and reported their findings back to the group as a whole.

The Task Force recognized that developable land in Flagstaff has become scarce. Rapidly increasing land costs have severely impacted the affordability of existing homes and the projected cost of new housing under development.

Increased number of homes ideally brings down price of homes. Land and resources are the “bank”. Need to be sure and get something out of the deal. Workforce housing—owner occupied, inclusionary zoning—require that 15% of the homes are affordable. Phoenix is using a similar process.

Economic development will be hindered by lack of affordable housing, as workers are unable to afford homes. Investors driving up costs with “lot flipping”, buying and reselling to make money. Some areas requiring owners to build within two years or sell back at original price.

County is behind in doing tax assessments, creating a loss of revenue—City has encouraged County to hire additional assessors to take care of the problem.

Need to begin now to get affordable housing. A lot of other towns are in the same situation.

Discussion was held on the information presented and questions answered.

Upcoming Meeting Topics:

Legislative Agenda – City County Alliance. Dave will ask Jeri Dustir, Deputy City Manager to present information.

Congratulations were given to Joanne Keene for her new position as Chief of Staff for Congressman Rick Renzi.

Meeting was adjourned at 8:17 am.